

Message Text

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CIAE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05
PA-01 SP-02 SS-15 ICA-11 AID-05 COME-00 EB-08
FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 STR-07
CEA-01 IO-13 HA-05 /159 W
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R 271204Z APR 78
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 6161
INFO AMEMBASSY TOKYO
AMEMBASSY CANBERRA
AMEMBASSY NEW DELHI
AMEMBASSY MANILA
AMEMBASSY ABIDJAN
AMEMBASSY LONDON
AMEMBASSY BONN
AMEMBASSY STOCKHOLM
AMEMBASSY COPENHAGEN
AMEMBASSY PARIS
AMEMBASSY BRUSSELS
AMEMBASSY MEXICO
AMEMBASSY LIBREVILLE

C O N F I D E N T I A L SECTION 01 OF 03 VIENNA 03968

MANILA FOR USADB
ABIDJAN FOR HENNESSY
BRUSSELS FOR USEC
MEXICO FOR USDEL TO MEETINGS OF INTERIM AND DEVELOPMENT
COMMITTEES
LIBREVILLE FOR ASSISTANT SECRETARY BERGSTEN

DEPARTMENT PASS TREASURY

E.O. 11652: GDS
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TAGS: SHUM, EGEN, EAID, PORG, IN
SUBJECT: ADB ANNUAL MEETING: HUMAN RIGHTS BILATERALS

SUMMARY: STATE/TREASURY TEAM DISCUSSED U.S. HUMAN RIGHTS
POLICY PARTICULARLY AS IT AFFECTS PARTICIPATION IN IFIS,
IN SPECIAL BILATERAL MEETINGS WITH JAPANESE, INDIANS AND
AUSTRALIANS APRIL 25 DURING ANNUAL MEETING OF ASIAN

DEVELOPMENT BANK. REPRESENTATIVES OF ALL THREE COUNTRIES AGREED ON THE DESIRABILITY OF CONSULTATIONS BETWEEN EXECUTIVE DIRECTORS TO IFIS WHENEVER THE U.S. HAS DETERMINED IT WOULD OPPOSE AN IFI LOAN ON HUMAN RIGHTS GROUNDS. THEY STRESSED THAT CONSULTATIONS SHOULD BE AS EARLY AS POSSIBLE. JAPANESE WERE SYMPATHETIC TO EFFORTS TO CHANNEL LOANS TOWARD COUNTRIES WITH GOOD HUMAN RIGHTS RECORDS AND AWAY FROM VIOLATORS, PROVIDED AN EXCEPTION FOR LOANS THAT MEET BASIC HUMAN NEEDS IS MAINTAINED. INDIANS FELT THAT INSTITUTIONS OTHER THAN IFIS WERE MORE APPROPRIATE FOR FOCUSING ATTENTION ON HUMAN RIGHTS AND WERE CONCERNED THAT HUMAN RIGHTS EFFORTS NOT HURT IFIS. THEY AGREED, HOWEVER, THAT CHANNELING OF IFI LOANS TO COUNTRIES WITH GOOD RECORDS COULD BE DONE AS LONG AS CONSULTATIONS TO THIS EFFECT WITH MANAGEMENT OF BANKS WAS INFORMAL. THEY WERE DOUBTFUL ABOUT THEIR OWN ABILITY TO PARTICIPATE IN SUCH CONSULTATIONS. AUSTRALIANS RESPONDED LEAST FAVORABLY TO U.S. PRESENTATION. THEY EXPRESSED CONCERN ABOUT POLITICIZATION OF THE IFIS AND DISRUPTION OF THEIR LENDING ACTIVITIES, BUT WERE MORE CONCERNED BY U.S. OPPOSITION TO LOANS FOR CERTAIN COMMODITIES AND POSSIBLE U.S. PROTECTIONISM. END SUMMARY.

1. TREASURY ASSISTANT SECRETARY BERGSTEN, DEPUTY ASSISTANT SECRETARY SCHNEIDER (HA) AND WATSON (EB/ODF) HELD BILATERAL MEETINGS DEVOTED ESPECIALLY TO HUMAN RIGHTS ISSUES WITH
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MEMBERS OF JAPANESE, INDIAN AND AUSTRALIAN DELEGATIONS TO THE ASIAN DEVELOPMENT BANK'S ELEVENTH ANNUAL MEETING IN VIENNA. TEAM OUTLINED U.S. VIEWS ON HUMAN RIGHTS WITH EMPHASIS ON OUR POLICIES IN THE INTERNATIONAL FINANCIAL INSTITUTIONS. THEY STRESSED THE U.S. COMMITMENT TO HUMAN RIGHTS; OUR BELIEF THAT, ALTHOUGH THE IFIS ARE NOT OUR PRINCIPAL INSTRUMENT FOR INCREASING RESPECT FOR HUMAN RIGHTS, THEY ARE APPROPRIATE FORUMS FOR ARTICULATING THAT COMMITMENT; OUR STRONG DESIRE NOT TO ALLOW OUR HUMAN RIGHTS POLICIES TO WEAKEN THE INTEGRITY OF THE IFIS; OUR INTEREST IN CHANNELING RESOURCES TOWARD COUNTRIES THAT RESPECT HUMAN RIGHTS AND ASSURING THAT LOANS TO PROBLEM COUNTRIES MEET BASIC HUMAN RIGHTS NEEDS; REDUCING THE NUMBER OF SITUATIONS IN WHICH WE MUST OPPOSE LOANS; OUR DESIRE TO EXPLORE WITH COUNTRIES SYMPATHETIC TO OUR VIEWS THE MOST EFFECTIVE WAYS TO RECONCILE THESE INTERESTS AND TO CONSULT CLOSELY WITH SUCH COUNTRIES ON SPECIFIC LOANS AND PROCEDURES.

2. JAPANESE INTERLOCUTORS WERE KOICHI KAKIMIZU AND KOZO YAMAMOTO OF THE INTERNATIONAL FINANCE BUREAU, MINISTRY OF FINANCE. (USADB EXECUTIVE DIRECTOR EDMOND PARTICIPATED IN

THIS BILATERAL.) JAPANESE SUPPORTED U.S. COMMITMENT TO HUMAN RIGHTS AND GENERAL OUTLINE OF OUR POLICY. THEY AGREED THAT CONSIDERATION OF HUMAN RIGHTS IN IFIS WAS LEGITIMATE AND CONFRONTATION OVER THE ISSUE SHOULD BE AVOIDED. JAPANESE SUPPORTED THE CONCEPT OF CONSULTING WITH BANK MANAGEMENTS EARLY IN THE LOAN PROCESS TO CHANNEL ASSISTANCE TOWARD COUNTRIES WITH GOOD HUMAN RIGHTS RECORDS. THEY STRESSED THAT WE SHOULD NOT OPPOSE LOANS WHICH MEET

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CEA-01 IO-13 HA-05 /159 W
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R 271204Z APR 78

FM AMEMBASSY VIENNA
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INFO AMEMBASSY TOKYO
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C O N F I D E N T I A L SECTION 02 OF 03 VIENNA 03968

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BASIC HUMAN NEEDS IN COUNTRIES IN WHICH THERE WERE SERIOUS HUMAN RIGHTS VIOLATIONS. JAPAN PREFERS A PROJECT BY PROJECT APPROACH AND WOULD LIKE EXECUTIVE DIRECTORS TO

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EXCHANGE VIEWS ON LOANS AND RELEVANT HUMAN RIGHTS CONDITIONS AS EARLY AS POSSIBLE. WHEN U.S. WISHES TOKYO TO BE INFORMED, THEY SAID, WE SHOULD ASK JAPANESE ED TO BE THE CHANNEL. KAKIMIZU NOTED THAT JAPAN WOULD NOT ALWAYS AGREE WITH OUR POSITIONS ON INDIVIDUAL LOANS. HE WAS ASSURED BY U.S. TEAM THAT WE DID NOT EXPECT THEM TO DO SO.

3. INDIAN DELEGATION CONSISTED OF MANMOHAN SINGH, MINFIN SECRETARY FOR ECONOMIC AFFAIRS AND S.V.S. JUNEJA, MINFIN JOINT SECRETARY. U.S. TEAM OPENED DISCUSSION WITH PRAISE FOR INDIA'S LEADERSHIP IN EFFORT IN THE UNITED NATIONS HUMAN RIGHTS COMMISSION TO ENCOURAGE THE ESTABLISHMENT OF NATIONAL HUMAN RIGHTS COMMISSION. FOLLOWING PRESENTATION OF U.S. HUMAN RIGHTS POLICIES, SINGH STRONGLY ASSERTED THAT INDIA'S COMMITMENT TO HUMAN RIGHTS WAS EQUAL TO THAT OF THE U.S. NEVERTHELESS, ALTHOUGH INDIA IS DISTURBED BY HUMAN RIGHTS CONDITIONS IN PAKISTAN AND BANGLADESH, IT HAS ESTABLISHED RELATIONS WITH THESE COUNTRIES AND DOES NOT CRITICIZE THEM BECAUSE TO DO SO COULD WORSEN RATHER THAN IMPROVE THEIR HUMAN RIGHTS SITUATION. HIS PRINCIPAL WORRY ABOUT U.S. POLICY IS THAT IT MIGHT DAMAGE THE INTEGRITY OR OPERATIONS OF THE IFIS. HE SUGGESTED THAT OTHER INTER-NATIONAL ORGANIZATIONS, SUCH AS THE UN, ARE MORE APPROPRIATE INSTRUMENTS FOR FOCUSsing ATTENTION ON HUMAN RIGHTS ISSUES. JUNEJA EXPRESSED CONCERN THAT OUR POLICY COULD POLITICIZE THE IFIS.

4. THE INDIANS SUPPORTED THE IDEA OF FACTORING HUMAN RIGHTS CONSIDERATIONS INTO THE IFI'S LOAN APPROVAL PROCESSES AS EARLY AS POSSIBLE TO CHANNEL ASSISTANCE TOWARD COUNTRIES WITH GOOD HUMAN RIGHTS ACCORDS AND FOR MEETING BASIC HUMAN NEEDS. THEY STRESSED, HOWEVER, THAT CONSULTATIONS WITH IFI MANAGMENTS BE DONE INFORMALLY TO REDUCE

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THE CHANCES OF CONFRONTATION WHICH COULD DISRUPT THE BANKS OPERATIONS. FOR INSTANCE, CONSULTATIONS SHOULD NOT TAKE PLACE IN MEETINGS OF THE BOARDS OF DIRECTORS, THEY ARGUED. INFORMAL CONSULTATIONS BETWEEN U.S. AND INDIAN EDs SHOULD TAKE PLACE AS FAR IN ADVANCE OF CONSIDERATION OF LOANS BY IFI BOARDS AS POSSIBLE. SINGH SAID INDIA WAS LEERY OF

TAKING AN ACTIVE ROLE IN THE CHANNELING PROCESS FOR FEAR
IT WOULD BE SUSPECTED OF SERVING ITS OWN INTERESTS.

5. THE SIX-MAN AUSTRALIAN DELEGATION INCLUDED IAN SINCLAIR MINISTER FOR PRIMARY INDISTRY AND J.C. INGRAM, DIRECTOR OF THE DEVELOPMENT ASSISTANCE BUREAU. (WILLIAM JORDAN OF THE SENATE APPROPRIATIONS COMMITTEE STAFF PARTICIPATED IN THIS MEETING). THE AUSTRALIANS NOTED THAT HUMAN RIGHTS WERE LIKE MOTHERHOOD, BUT THEY WERE SKEPTICAL OF U.S. POLICY IN THE IFIS AND CONCERNED IT COULD SEVERELY INTERFERE WITH IFI LENDING PROGRAMS. THEY FEARED WE MIGHT PUT UNACCEPTABLE PRESSURE ON THE STAFFS OF THE BANKS. THEY QUESTIONED WHAT CRITERIA THE U.S. USES TO DETERMINE HUMAN RIGHTS VIOLATIONS INGRAM EXPRESSED CONCERN THAT OUR COMMITMENT TO HUMAN RIGHTS MIGHT RESTRICT OUR OVERALL FOREIGN POLICY. HE OBSERVED THAT FOR POLITICAL REASONS, ONE SOMETIMES HAS TO "SUP WITH THE DEVIL."

6. THE AUSTRALIANS LUMPED OUR HUMAN RIGHTS POLICIES WITH THE U.S. OPPOSITION TO IFI LOANS TO VIETNAM, LAOS, CAMBODIA, ANGOLA, MOZAMBIQUE, UGANDA AND CUBA AND FOR PRODUCTION FOR EXPORT OF PALM OIL, SUGAR OR CITRUS PRODUCTS THAT CAUSE INJURY TO U.S. PRODUCERS. THEY ARGUED THAT IMPOSITION OF ALL THESE CONDITIONS BY THE U.S. WILL SEVERELY DAMAGE THE BANKS. THE U.S. TEAM POINTED OUT THAT THE DIFFERENCE BETWEEN OUR RIGHTS RIGHTS POLICY AND THE IDEOLOGICAL COMMODITY RESTRICTIONS IMPOSED ON THE ADMINISTRATION BY CONGRESS LAST YEAR. IT EXPLAINED THAT WHILE THE ADMINISTRATION WAS DEEPLY COMMITTED TO ITS HUMAN RIGHTS POLICY,

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IT STRONGLY OPPOSED THE RESTRICTIONS ON ITS SUPPORT FOR
LOANS TO THE SEVEN COUNTRIES AND THREE COMMODITIES AND
WOULD VIGOROUSLY OPPOSE ANY EFFORTS BY CONGRESS TO IMPOSE
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SUCH RESTRICTIONS THIS YEAR.

7. THE AUSTRALIANS AGREED THAT CONSULTATIONS BETWEEN OUR
EDS ON HUMAN RIGHTS ISSUES SHOULD CONTINUE, BUT THAT WE
SHOULD TRY TO HOLD THEM AS EARLY AS POSSIBLE, PARTICULARLY
WHEN THE U.S. PLANNED TO OPPOSE A LOAN.

8. COMMENT: CONSULTATIONS WITH THE INDIANS WENT ABOUT AS
EXPECTED GIVEN THEIR COMMITMENT TO HUMAN RIGHTS AND THEIR
GREAT NEED FOR FOREIGN ASSISTANCE. IT WAS INTERESTING,
HOWEVER, THAT THE JAPANESE WERE SO MUCH MORE POSITIVE THAN
THE AUSTRALIANS. THE JAPANESE DID NOT EVEN SUGGEST THAT
U.S. HUMAN RIGHTS POLICY COULD POLITICIZE THE IFIS OR THAT
IT VIOLATED THE BANKS' COMMITMENTS TO EMPLOY ONLY ECONOMIC
CRITERIA WHEN APPROVING LOANS. THE AUSTRALIANS' SURPRISINGLY
STRONG EXPRESSIONS OF DOUBT ABOUT THE WISDOM OF OUR
HUMAN RIGHTS POLICIES IN THE IFIS SEEMED TO DERIVE IN LARGE
PART FROM THEIR CONCERN OVER U.S. OPPOSITION TO LOANS FOR
CERTAIN COMMODITIES AND THE SPECTRE OF PROTECTIONISM IT
RAISES. THEY WERE ALSO CLEARLY WORRIED, HOWEVER, THAT THE
U.S. WAS MAKING TOO MANY DEMANDS ON THE IFIS FOR THEM TO
CONTINUE TO FUNCTION SUCCESSFULLY. BORG

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Message Attributes

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Subject: ADB ANNUAL MEETING: HUMAN RIGHTS BILATERALS SUMMARY: STATE/TREASURY TEAM DISCUSSED U.S. HUMAN RIGHTS POLICY PARTICULARLY AS IT AFFECTS PARTICIPATION IN
TAGS: SHUM, EGEN, EAID, PORG, IN
To: STATE
Type: TE
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